GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:1812
ANSWERED ON:03.08.2000
OIL POOL DEFICIT
PRAKASH MANI TRIPATHI

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the oil pool deficit is rising at the rate of Rs.500 crores every month; and

(b) if so, the steps taken by the Government to restrict the oil pool deficit on a long term basis?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR)

(a): Oil pool deficit was around of Rs.6,000 crore as on 31.3.2000. The deficit as on 31.7.2000 is estimated at around Rs.7,500 crore. For the future, it is not possible to estimate the pool position with accuracy because of the following factors which affects the position of the Oil Pool Account:

i) Materialisation of the quantities of estimated demand;
ii) Fluctuation in the international prices of controlled petroleum products which in turn affect the Domestic Tariff Adjusted Import Parity Prices;
iii) Fluctuations in the international prices of crude oil and price payable to PSU crude oil producers;
iv) Foreign exchange variation in the Indian rupee;
v) Domestic prices of controlled petroleum products;

(b): With a view to contain the deficit in the oil pool account, the Govt. have taken a number of measures such as moving product prices towards import parity and gradual phasing out of subsidy on petroleum products.